



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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September 3, 2015

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: Joseph Kelly 
Treasurer and Tax Collector

SUBJECT: **NOTICE OF INTENT TO NEGOTIATE A MONTH-TO-MONTH SOLE SOURCE
EXTENSION, NOT TO EXCEED NINE MONTHS, FOR AGREEMENT NUMBER
76582, COLUMBIA ULTIMATE, INC. FOR CONTINUED MAINTENANCE AND
SUPPORT OF THE COUNTY'S DEBT COLLECTION SOFTWARE**

Pursuant to the applicable provisions of Board Policy 5.100, Sole Source Contracts, this correspondence is to provide your Board with advance notification of our intent to enter Sole Source Contract extension negotiations with Columbia Ultimate, Inc. (Columbia Ultimate) for the continued maintenance and support of debt collection software. This extension is necessary so that we may complete the solicitation process and implement a replacement system.

BACKGROUND

The software licensing and services agreement (Agreement) is required for the licensing, professional services, and the on-going support and maintenance of Columbia Ultimate's proprietary software application, Revenue Plus Collection System, utilized and identified by the Treasurer and Tax Collector (TTC) and Probation Department (Probation) as the Collections and Accounts Receivable System (CARS). The system interfaces with the TTC's Outside Collection Agency and uploads collection referrals in an automated manner from County departments. On an annual basis, the TTC collects approximately \$26.5 million and adds approximately 91,000 new accounts to the system.

In 2008, the TTC sought and received approval from your Board for a Sole Source Contract with Columbia Ultimate. This Contract expires on December 31, 2015. We released a Request for Proposals (RFP) for a competitive solicitation on July 2, 2015, and staff is currently evaluating the proposals. The TTC is seeking to enter into discussions for a month-to-month extension of the Agreement to allow sufficient time to complete the solicitation and implement a new or updated collections system.

JUSTIFICATION

The month-to-month extension is necessary to avoid a disruption in current services, which includes, but is not limited to the following:

- 1) We will not be able to process debtor payments and implement our system of internal controls over collections.
- 2) We will not be able, as required by law, to submit certain accounts to the California Department of Social Services and California Franchise Tax Board for tax intercept.
- 3) The ability of Probation to perform their court ordered mandate of monitoring probationer payments of fines, fees, and victim restitution would be impacted.

While we are aware of the Board's action on August 4, 2015, to revise Board Policy No. 5.100, Sole Source Contracts, that action was prospective. The TTC released the RFP prior to this date. Accordingly, the notice requirements adopted on August 4, 2015, are not applicable in this circumstance. The TTC planned to complete the solicitation process and implement the new system by the expiration of the Agreement. However, upon further review of the system requirements and requests from the vendor community to extend the RFP deadline, the TTC has determined that it is in the best interest of the County to extend the Agreement.

CONCLUSION

Unless otherwise directed by your Board, within ten business days from the date of this notification, Friday, September 18, 2015, we will proceed with Sole Source Contract negotiations to extend the Agreement for a month-to-month Sole Source Contract extension not to exceed nine months in order to complete the solicitation process. If successful, we plan to bring an extension amendment to your Board in October 2015.

Should you have any questions or require additional information, please contact me directly or your staff may contact Keith Knox, Chief Deputy Treasurer and Tax Collector, of my staff at (213) 974-0703 or kknox@ttc.lacounty.gov.

JK:KK:RM:EVT:kg

CARS Notice of Intent 9-3-15 Final kk jk evt kg

c: Interim Chief Executive Officer
Acting Executive Officer, Board of Supervisors
Chief Probation Officer
Chief Information Officer
Interim County Counsel